



*Connecticut Retail Merchants Association*  
*The Voice of Retailing*

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Finance, Revenue & Bonding Committee – March 3, 2022

**Testimony by Timothy Phelan,  
President, Connecticut Retail Merchants Association**

**Senator Fonfara, Rep. Scanlon, Sen. Martin, Rep. Chessman and members of the Finance Revenue and Bonding Committee, my name is Tim Phelan, and I am the President of the Connecticut Retail Merchants Association. Thank you for the opportunity to provide testimony today on behalf of Connecticut's retail businesses in support of Proposed S.B. 22, AN ACT TEMPORARILY REDUCING THE RATES OF THE SALES AND USE TAXES AND THE MEALS TAX.**

It has been a challenging two years for Connecticut families, and retailers across the state have seen and heard that first-hand in their own businesses and in direct conversations with customers.

Your constituents – who are also our customers – need some relief, and that is precisely what this sales tax reduction will do. It will provide relief for consumers, and in doing so will also help to lift our retail industry, which has faced tough times while carefully observing all the safety protocols and limitations of the past two years. For us, customers come first – they're at the heart of what we do. And that's why this proposal resonates so strongly with our industry.

There are roughly 42,000 retail establishments in our state, and overall, the retail industry produces approximately 14 percent of Connecticut's total GDP. Retail businesses large and small provide good jobs for Connecticut families, and more than 98 percent of all retail companies are small businesses, employing fewer than 50 people. Many of them are family businesses, and some of them are businesses that are second or third generation.

Our retail businesses in Connecticut are proudly involved in their communities, providing support for local organizations in many ways. So, as much as any other industry, retail is the lifeblood of commerce in Connecticut, indispensable to our economy and our quality of life.

That's why steps that the legislature can take to help consumers, such as the proposed sales tax reduction, will also help Connecticut retailers, which in turn will help communities and our state. This proposal is a win-win for Connecticut, as we all look to regain our economic footing and build a thriving economy.

On behalf of Connecticut's retail businesses, we urge your support of the proposed sales tax reduction. In our view, there has never been a time when Connecticut could afford this sales tax rate reduction more than now, and there has never been a time when Connecticut consumers needed the sales tax savings more than now.